

CAPLAW
LEGAL LIABILITY
AUDIT
FOR
COMMUNITY ACTION
AGENCIES

2009

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PREFACE

Several years ago, Lois Burns, then Secretary of the Board of Directors of Community Action Program Legal Services, Inc. (CAPLAW), suggested using CAPLAW's legal resources to design a legal liability audit program specifically for Community Action Agencies ("CAAs"). The goal was to reduce legal risk and liability to CAAs by developing and assisting CAAs in implementing an audit of management and program areas where liability is often generated. Reducing legal risk, it was hoped, would strengthen the agency as a whole and enhance its ability to carry out its mission of moving people from poverty to self-sufficiency.

CAPLAW is pleased to present this Legal Liability Audit, which was prepared with financial assistance from the U.S. Department of Health and Human Services' Office of Community Services, legal assistance from Anita Lichtblau, CAPLAW's in-house counsel, and from Robert Sasser, Tamara Stidham, Brian Tipton, and Ryan Stewart of the Montgomery, Alabama law firm of Sasser, Littleton & Stidham (now Sasser, Bolton & Sefton, P.C.), guidance from the CAPLAW Board of Directors, and administrative support from the staff of both CAPLAW and Sasser, Bolton & Sefton. CAPLAW also would like to acknowledge other attorneys who contributed to the Audit: Harvey Cotton and Sharon Remmer, attorneys with the law firm of Ropes & Gray in Boston, Massachusetts and New York City, for providing the sections on employee benefits and Peter Ebb, an attorney with Ropes & Gray for his editing assistance; Karla Steele, an attorney with Califf & Harper in Moline, Illinois, for her work on the section on verification of employees' work eligibility; Arthur Eggers, also an attorney with Califf & Harper, for providing the section on retaliation; and Lawrence McGoldrick, an attorney with the law firm of Fisher & Phillips in Atlanta, Georgia, for his work on the section on the Fair Labor Standards Act.

This Legal Liability Audit notebook, composed of short summaries, from a national perspective, of the law and/or checklists in the areas of Non-Profit Corporate Requirements, Employment Law and Personnel Issues, the Head Start Program, and the Community Services Block Grant Program, is designed as a tool for Community Action Agencies and their local attorneys to review their organizations and their practices and procedures and to facilitate discussions in these areas. The Audit need not be conducted all at one time; it may be conducted in pieces with appropriate personnel. Board participation in some parts of the Audit, or at least in discussion of the results, may be appropriate.

This Audit is not designed to be a comprehensive discussion of the matters discussed herein. Nor does it address specific state law issues. CAPLAW is in the process of supplementing this Audit with specific state law addenda for those states in which the state CAA association or a number of individual CAAs are CAPLAW members. As with all matters having significant legal implications, it is important to seek advice of counsel concerning specific rights, duties and obligations which apply to your CAA.

The Legal Liability Audit is a continuing project of CAPLAW. New sections may be added and existing sections may be revised. We also are available for consultation with the CAA and its local attorney on implementation of the Audit. We welcome your comments on your experience with conducting the Audit and suggestions for additional areas to be covered.

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